## TABLE OF CONTENTS

PREFACE		i
Introduction	ON	ii
SECTION A	GENERAL INFORMATION	A-1
Comp	otroller's Responsibility	A-1
Auditing Standards		A-1
Coverage		A-2
Audit Period		A-3
Legal and Contractual Compliance		A-3
Competency		A-3
Awar	Awarding Audit Contract	
Comptroller's Approval of Audit Contracts		A-4
Consi	Consideration of Fraud and Illegal Acts and Audit Procedures	
Confi	rmations from State	A-5
Reporting Requirements		A-7
Gene	ral Report Outline	A-8
Scheo	lule of Expenditures of Federal Awards and State Financial	
	Assistance	A-11
SECTION B	REPORTING AND AUDITING REQUIREMENTS TENNESSEE COUNTIES (INCLUDING RELATED COMPONENT	Units) B-1
Back	ground	B-1
Finan	cial Reporting	
	General	B-2
	Additional Requirements of the Comptroller's Office	B-2
County Schools – Centralized Cafeteria Funds		
Office	e of Assessor of Property	B-4
SECTION C	REPORTING AND AUDITING REQUIREMENTS	
	TENNESSEE MUNICIPALITIES (INCLUDING RELATED	
	COMPONENT UNITS)	C-1
Backs	ground	C-1
Financial Reporting		
	General	C-1
	Additional Requirements of the Comptroller's Office	C-2
Muni	cipal Schools – Centralized Cafeteria Funds	C-5
	cipal Schools – Board of Education	C-5

SECTION D	REPORTING AND AUDITING REQUIREMENTS SPECIAL PURPOSE GOVERNMENTS (INCLUDING RELATED	
	COMPONENT UNITS)	D-1
Emergency Communications Districts		D-1
	Background	D-1
	Financial Reporting	
	General	D-1
Housing Authorities		D-2
	Background	D-2
	Financial Reporting	
	General	D-2
	Additional Requirements of the Comptroller's Office	D-2
Publi	c Utility Districts	D-3
	Background	D-3
	Financial Reporting	_
	General	D-3
	Additional Requirements of the Comptroller's Office	D-3
Public Charter Schools		D-5
	Background	D-5
	Financial Reporting	
	General	D-5
	Additional Requirements of the Comptroller's Office	D-5
Other	: Special Purpose Governments	D-6
	Background	D-6
	Financial Reporting	
	General	D-6
	Additional Requirements of the Comptroller's Office	D-6
SECTION E	REPORTING AND AUDITING REQUIREMENTS	
	Nonprofit Organizations	E-1
Nonp	profit Organizations	E-1
	Background	E-1
	Program-Specific Audit	E-2
	Financial Reporting	
	General	E-2
	Additional Requirements of the Comptroller's Office	E-2
SECTION F	REPORTING AND AUDITING REQUIREMENTS	
	SCHOOL ACTIVITY AND CAFETERIA FUNDS	F-1
Activ	Activity Funds	
	Background Financial Reporting	F-1
	Additional Requirements of the Comptroller's Office	F-1

Cafeteria Funds		F-2
	Background	F-2
	Financial Reporting	
	General	F-2
	Additional Requirements of the Comptroller's Office	F-3
SECTION G	REPORTING AND AUDITING REQUIREMENTS	
	MEDICAID COST REPORT ENGAGEMENTS	G-1
Repor	ting Requirements and Agreed-Upon Procedures for Medicaid	
Cos	st Report Engagements	G-1
	Introduction	G-1
	Medicaid Rules and Regulations	G-2
	Cost Reporting Requirements	G-2
	Examinations	G-3
	Expenses – Criteria	G-3
	Expenses – Procedures	G-3
	Resident Days – Criteria	G-4
	Resident Days – Procedures	G-4
	Trust Funds – Criteria	G-5
	Trust Funds – Procedures	G-5
	Resident Accounts – Criteria	G-6
	Resident Accounts – Procedures	G-6
	Independent Accountant's Report on Applying Agreed-Upon Procedures	
SECTION H	REPORTING AND AUDITING REQUIREMENTS SUBSIDIZED DAY CARE ORGANIZATIONS	H-1
SECTION I	QUICK REFERENCE LINKS	I-1
APPENDIX A	EXAMPLE SCHEDULES	APP.A-1
	Schedule of Unaccounted for Water	APP.A-1
	Schedule of Changes in Property Tax Receivable	APP.A-2
APPENDIX B	FRAUD RISK ASSESSMENT	APP.B-1
	Detecting Fraud and Illegal Acts	APP.B-1
APPENDIX C	AUDIT PROCEDURES	APP.C-1
	Sample School Compliance Program	APP.C-1
	County Centralized Cafeteria Procedures	APP.C-5
	Audit Procedures – (Municipal Schools) Audit Considerations – State of Tennessee Subrecipient	APP.C-8

	Contracts	APP.C-9
APPENDIX D	STATE LAWS AND REGULATIONS	APP.D-1
	Selected Laws Affecting Counties	APP.D-1
	County Donations to Nonprofit Organizations	APP.D-7
	Selected Laws Affecting Municipalities	APP.D-8
	Municipal Donations to Nonprofit Organizations	APP.D-12
	Selected Laws Affecting Utility Districts	APP.D-13
APPENDIX E	MISCELLANEOUS	APP.E-1
	Audit Procurement Guide – Request for Proposal	APP.E-2